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Report raises issues with visitors bureau

Staff Reports **The Tonawanda News**

— — An audit released Wednesday raises several issues with the Buffalo Niagara Convention & Visitors Bureau.

The audit was conducted under the direction of Erie County Comptroller Mark Poloncarz, a Democrat who often lashes out against Republican County Executive Chris Collins, whom the report criticizes.

Poloncarz said the audit, which covers the period of Jan. 1, 2008 through June 30, 2010, was conducted to determine how much of the CVB's annual budget comes from the county, and whether the visitors bureau and the county were in compliance with the terms of their contract.

Erie County provided the visitors bureau with 83 percent and 86 percent of its budget revenues for 2008 and 2009, respectively, Poloncarz's audit reports. A key concern of the report was whether CVB ended each fiscal year with a surplus, which would require the visitors bureau to refund any surplus back to the county.

The comptroller's office found that CVB ended both 2008 and the following year with a surplus, a point with which the visitors bureau disagrees, the report notes, arguing that the contract's terms aren't clearly spelled out.

"Because of the confusing way this contract was written," Poloncarz said in a statement, "it is possible to argue that CVB ended 2008 and 2009 with a surplus, or as CVB argues, it ended each year with a deficit."

He added that both the visitors bureau and its external auditor agree that the contract is poorly written, and that the language for future agreements should be changed to reflect the specific accounting method the CVB uses to calculate its surplus or deficit.

The comptroller's report also found that:

- Visitors bureau board meeting minutes are not always approved.
- CVB didn't hold a formal, annual meeting in the years it was audited.
- The bureau spent more, as a percentage of total expenditures, on salaries (53 percent) than all but one other convention and visitor bureau in the Northeast. The report compared the CVB

to similar organizations across the Northeast.

- The visitors bureau has one of the highest levels of government involvement among the sample group. The county executive, the report states, directly appoints six board members and has the potential to influence three more.

“In comparison to other convention and visitor bureaus, which have little to no governmental influence, the county executive has a tremendous amount of influence over the CVB’s activities,” Poloncarz said.

“While Erie County provides a significant portion of the CVB’s revenues, it does not benefit the community to have a convention and visitors bureau that is subject to the political winds of the day,” he added.

- Erie County has consistently had a higher hotel occupancy rate than the national average.

Business First of Buffalo reported that the CVB disputes much of Poloncarz’s report. “Our folks are doing a lot more, with a lot less, than many of our competing cities,” CVB President Dottie Gallagher-Cohen was quoted as saying in a Business First story. She called the comptroller’s methodology “flawed.”

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